



Foreign Trade Policy; sops to Coir Industry

The 5th and last installment of the 2004-09 series of the Foreign Trade Policy was unveiled by the Shri, Kamal Nath, Hon'ble Commerce Minister, Government of India on 11/04/2008.

In his introductory remarks, he stated that India's Merchandise export notched US\$ 155 billion against the targeted US \$160 billion during the current fiscal.

The Compounded Annual Growth Rate (CAGR) was 23% over period of 2004-08. From US\$ 65 billion in 2003-04, it grew annually to touch a record US\$ 165 billion in 2007-08.

For 2008-09, the Government of India has set a target of US\$200 billion to garner 1.5 % of the world trade.

The Policy allows the following sops to the Industry. Coir Industry has been included in all these schemes:

1. Under **EPCG Scheme**, the Customs duty payable has been reduced from 5 % to 3%
2. The annual EO has been reduced and prompt achievement (of EO obligation) would entail additional benefits.
3. The Duty Entitlement Pass Book scheme has been extended by another year up to May 2009.
4. The subvention for Pre-shipment Credit and post shipment Credit extended for another year.
5. The value of sample that can be imported at nil duty has been enhanced from **Rs 75,000 to Rs 1,00,000/-**
6. The **Income Tax exemption** under Sec 10 (a) and 10(b) of the IT Act for EoU extended by another year.
7. **Service Tax exemption** (Custom house agent service, banking and other financial services, commission agent service provided by an agent located outside India).
8. Procedures pertaining to some major export promotion schemes have been simplified.
9. **The provision of ECGC** insurance covers to domestic credit; extension of factoring services has been announced.
10. EoUs shall be allowed to pay Central Excise on *monthly* basis instead of on *Consignment* basis subject to notification of conditions by Dept of Revenue (Customs)
11. Application fee for Import Export Code reduced from **Rs 1000/- to Rs 250/-**.
12. Focus Market Scheme, 10 new countries have been included
13. Government announces intention of Introduction of Single Goods & Services Tax (**GST**) all over India – reimbursement of all duties/taxes under single window

Coir Industries drew up an exports of value of Rs.580.99 Cr towards export of 186481MT during 2007-08 against the target of Rs.688 Cr (US \$165billion). This represented a volume growth of 10.5% while in value it was (-) 2.1% .T he growth rate over a four year period (CAGR) was on the brink of 11%.

Coir pith (17% in value terms) , Coir rope (107%) , Rubberized Coir (21) Coir Fibre (13%), did well while the traditional coir products like coir mat, matting, carpets, rugs, posted negative growth varying from 4% to 62%.

The number of Countries to which coir export was directed has increased from 97 (2006-07) to 103 countries (2007-08) .The new countries are (1).Suriname (Northern South America), (2).Reunion (Indian Ocean Island, French Colony), (East of Madagascar, South west of Mauritius),(3). Estonia (Northern Europe) (4). St Lucia (Caribbean), (5). Slovakia (Czekosalvia), (6). Slovenia (Southern Central Europe).